

SB 974 Port Investment Bill - Fact Sheet

On August 5, 2008, the Legislature passed Senate Bill (SB) 974, which is now awaiting signature by Governor Schwarzenegger.

SB 974 would authorize a fee of up to \$30 on each twenty foot equivalent unit (TEU) or \$60 for a typical full shipping container processed at the Ports of Los Angeles, Long Beach, and Oakland. The purpose of the fee is to fund congestion relief and air pollution mitigation projects related to the goods movement.

According to SB 974, the new user fee would begin January 1, 2009, with 50% of the fees directed to congestion relief and 50% to air pollution mitigation.

Benefits for SANBAG

The Ports of Los Angeles and Long Beach are the largest container ports in the country and account for just under 50% of all imports into the United States. San Bernardino County is severely impacted by the hundreds of trains moving containers through local communities. Funds generated by SB 974 will go towards building necessary grade separations throughout Southern California, which will reduce pollution, relieve congestion and improve public safety.

Anticipated Investment for Projects

Charging a \$30 fee on each of the 15 million TEUs processed annually through the ports complex would generate approximately \$500 million annually, growing to over \$1.5 billion annually by 2020 if the projected container volume growth continues as expected. The fees would sunset after the eligible projects are constructed and any revenue bonds are paid off.

The Southern California Goods Movement Authority

Funding from SB 974 will be governed by the Southern California Goods Movement Authority. This 12 member Authority will include one representative appointed by each of the following entities: San Bernardino Associated Governments (SANBAG), Orange County Transportation Authority (OCTA), Riverside County Transportation Commission (RCTC), Los Angeles County Metropolitan Transportation Authority (MTA), Port of Los Angeles, Port of Long Beach, and Alameda Corridor East Construction Authority. Additionally, city mayors from Riverside, San Bernardino, Anaheim, Los Angeles and Long Beach will each appoint one member to the Authority. This membership is balanced with six members from Los Angeles County entities and six members from Orange, Riverside and San Bernardino counties and cities combined.

Eligible Projects in San Bernardino County

SB 974 lists 46 key grade separations within San Bernardino County that would be eligible for funding. In addition to specific grade separations, Colton Crossing, a rail-to-rail grade separation also is listed as an eligible project for funding.

ACTION

SANBAG Recommends...

Urge Governor Schwarzenegger to sign SB 974 into law. Funding from SB 974 is an important step forward to promote the efficiency of goods movement through our region and improve overall environmental concerns resulting from goods movement that negatively impacts our communities.